

Regarding the notice of inquiry in the “Matter of Broadband Industry Practices,” proceeding 07-52:

While it doesn't appear that any company has publicly admitted to getting priority access to end-users through a financial agreement with a broadband provider, it is clear there are back-room discussions going on between certain Internet companies and those broadband providers. I have two examples to cite.

1. Regarding the selection of former Cisco executive Mike Volpi to lead online video company Joost, In-Stat analyst Gerry Kaufhold suggested that the choice was “more significant than most people realize.” He went on to comment:

“To make P2P really work, they're going to have to get buy-in from broadband operators,” he says. “If you're Comcast and have a hundred thousand people sharing Joost bits up and down your network, you're going to be impacted. I think Joost wants to be a good neighbor—another reason the Volpi appointment is useful. If Joost can find a way to allow those who have made a large investment in last-mile access to participate, I think that makes them an even better service and able to grow faster. If Joost wants to get preferential transport, Mike can call people up and make things happen.”

This quote comes from a recent article in ScreenPlays Magazine:
“New Joost CEO Could Shape Broadband Operator-friendly Strategy”

2. At a recent conference on Cable IPTV (coincidentally also hosted by ScreenPlays Magazine), Sanjay Desai of Brightcove, another online video company used similar language in describing Brightcove's relationship with broadband providers. He said that partnerships with network operators are critical, precisely because of the bandwidth issue. I believe he also mentioned something about being a “good neighbor”.

Again, neither of these examples proves anything, but they do suggest that companies with the right contacts and financial resources will have a significant advantage in getting their content transported effectively over broadband networks. Until now, the Internet has wholly democratized content distribution. Without regulations to safeguard that principle in the future as bandwidth becomes ever more precious, I believe we will lose the benefits of the Internet as an equal-opportunity, information-sharing platform.

Sincerely,

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